

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 17295 151139Z

11

ACTION EUR-12

INFO OCT-01 ISO-00 EB-04 RSC-01 /018 W

----- 119099

R 150837Z NOV 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 4587

INFO USDOC WASHDC

AMEMBASSY STOCKHOLM

C O N F I D E N T I A L MOSCOW 17295

E.O. 11652: GDS

TAGS: ETRD,EEWT,US,UR

SUBJECT:SOVIETS GIVE CONFLICTING SIGNALS ON INTERCONTINENTAL
HOTEL PROJECT

REF: MOSCOW 14472

1. FOLLOWING THREE DAYS OF TALKS WITH VARIETY OF INTOURIST
AND MAIN ADMINISTRATION FOR FOREIGN TOURISM OFFICIALS, INTER-
CONTINENTAL HOTEL CORP (IHC) VICE PRESIDENT ERIC BLEICH
ADVISED COMMATT THAT HE HAD BEEN GIVEN DIAMETRICALLY OPPOSED
VERSIONS OF SOVIET POSITION ON CRUCIAL MANAGEMENT CONTRACT ISSUE
FROM MAIN ADMINISTRATION CHAIRMAN S.S. NIKITIN AND DEPUTY
CHAIRMAN N.YA. SANNIKOV.

2. AS WAS CASE DURING SEPTEMBER DISCUSSIONS BETWEEN US AND
SOVIET TOURISM DELEGATIONS, NIKITIN TOOK HARD LINE ON MANAGE-
MENT ISSUE, STATING THAT REGARDLESS OF PROVISIONS OF ARTICLE FOUR
OF IHC-INTOURIST AGREEMENT, MAXIMUM WHICH IHC COULD HAVE WAS:
A)PRIVILEGE OF HAVING HOTELS UNDER NAME "INTERCONTINENTAL"; AND
B) 40 ROOMS IN EACH HOTEL WHICH WOULD BE UNDER CONTROL OF IHC FOR
RESERVATIONS PURPOSES. AS BLEICH POINTED OUT TO COMMATT, THIS
WAS FAR CRY FROM TYPE OF MANAGEMENT RELATIONSHIP WHICH IHC
UNDERSTANDS IS CALLED FOR IN ARTICLE FOUR OF AGREEMENT.
DESPITE NIKITIN'S TOUGH LINE, SANNIKOV TOOK VERY DIFFERENT
POSITION AND AGREED THAT IHC SHOULD HAVE WHAT WOULD AMOUNT
TO MANAGEMENT ROLE IN HOTELS. SANNIKOV, WHO WAS PERSONALLY
RESPONSIBLE FOR NEGOTIATIONS OF ARTICLE FOUR OF AGREEMENT, MADE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 17295 151139Z

CLEAR THAT HIS UNDERSTANDING OF TEXT DOES NOT DIFFER RADICALLY

FROM THAT OF IHC.

3. BLEICH SAID HE HAD IMPRESSION THAT SOVIETS HAVE NOT YET REACHED FIRM DECISION ON THIS POINT, WHICH WOULD EXPLAIN MARKEDLY DIFFERENT POSITIONS ADOPTED BY TWO OFFICIALS OF SAME ORGANIZATION. COMMATT ASKED WHETHER, IF IHC AGREEMENT WITH SOVIETS BROKE DOWN COMPLETELY, SKANSKA CEMENT'S AGREEMENT AND RELATED SWEDISH FINANCING WOULD ALSO LAPSE. BLEICH SAID SKANSKA COULD, IN THEORY, GO AHEAD WITHOUT IHC, ALTHOUGH IT WOULD BE NECESSARY TO DISTINGUISH IN SOME FASHION HOTELS WHICH SKANSKA DID ON ITS OWN FROM HOTELS WHICH IHC AND SKANSKA PROPOSED DO TOGETHER. HE SUGGESTED, HOWEVER, THAT CLOSE CONTACTS BETWEEN IHC AND SKANSKA, AND FACT THAT IHC INTRODUCED SKANSKA TO INTOURIST, WOULD PRECLUDE SEPARATE SKANSKA-INTOURIST AGREEMENT UNLESS IHC GAVE ITS APPROVAL.
STOESSEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MOSCOW17295
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740330-0375
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741140/aaaabhng.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: MOSCOW 14472
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2002 by boyleja>; APPROVED <18 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OVIETS GIVE CONFLICTING SIGNALS ON INTERCONTINENTAL HOTEL PROJECT
TAGS: BEXP, BTRA, US, UR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005